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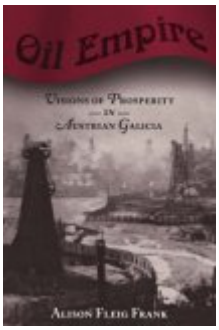
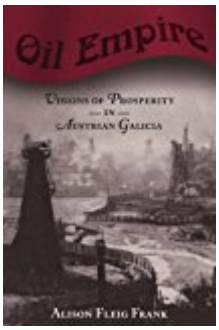


Alison Fleig Frank. *Oil Empire: Visions of Prosperity in Austrian Galicia.* Cambridge: Harvard University Press, 2005. xi + 343 pp



Alison Fleig Frank. *Oil Empire: Visions of Prosperity in Austrian Galicia.* Cambridge, Mass.: Harvard University Press, 2005. XX + 343 S. $24.95, paper, ISBN 978-0-674-02541-7.

Reviewed by Daniel Stone

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Alison Fleig Frank's *Oil Empire* provides a detailed account of a nearly forgotten episode in Habsburg and European history, namely the rise and decline of the Galician petroleum industry from about 1800 to 1920. Galicia, the home of the world's first commercial petroleum industry, was the third largest producer of crude oil in the world in 1909, although its 2 million barrels provided only a modest footnote to U.S. and Russian production (185 and 65 million barrels respectively). Furthermore, Galician production declined sharply over the next decade and beyond. Based on archival research in Paris, Lviv, London, and Vienna, as well as printed primary and secondary readings in German, Ukrainian, Polish, and other languages, Frank offers a well-researched and often colorfully written study. She places the development of the oil industry firmly in a Galician political, social, and economic context, showing how it affected and was affected by Galicia's complexities.

Petroleum bubbled up to the surface naturally in parts of Galicia. The product had been used as a lubricant long before nineteenth-century chemists developed it as a lighting source. Two pharmacists, Jan Zeh and Ignacy Lukasiewicz, learned to refine kerosene and invented an efficient lamp in which to burn it. This allowed the Lviv General Hospital in 1853 to become the world's first public building lit solely by petroleum lamps. Lukasiewicz went on to make a fortune in refining. The introduction of steam drills

in 1880 by Stanislaw Szczepanowski led to the rapid development of deeper wells in central Galicia around the small cities of Boryslaw and Drohobycz, including, in particular, the prolific "Wanda" well. Although Szczepanowski grew rich from producing and refining oil, his true ambition was to build a modern, scientific, and entrepreneurial Polish nation rather than achieve personal wealth. He wrote an often-cited book on Galician poverty and helped his employees avoid poverty by providing healthcare for them. However, Szczepanowski eventually overextended his business empire and went bankrupt. The Galician oil fields were fully modernized by William Henry MacGarvey, a Canadian engineer and businessman, who introduced deep drilling technology in the 1890s, quadrupling production overnight.

Frank examines closely the political and social background of the Galician oil industry, showing how they contributed to overproduction. Galician autonomy, especially after 1867, allowed landowners from both the noble and peasant classes to prevent Vienna from monopolizing oil rights, although the central government monopolized other mineral rights in the province. The result was "wildcat" exploitation, a stage of development that ended more quickly in other countries. Without centralized control, production often wasted a resource that seemed unlimited at first but which was depleted after only a few decades. Improper extraction and improper storage were also ruinous to human health and the environment. Fires broke out continually, because of open-air storage. While most were extinguished quickly, some burned for months and even became tourist attractions. For example, lightning set off a vast fire in Oil City that lasted four months during which "the fire and column smoke resembled a volcano" (p. 152). Water sources were polluted by oil that escaped from storage lagoons and flowed into streams and rivers, killing fish and poisoning soil.

Uncontrolled oil production also created overproduction, driving down prices. Centralization finally occurred in 1909 when one cartel successfully achieved domination over production and refining, thanks to a deal with the Austro-Hungarian government to buy large quantities of oil to modernize the railways and military. The impact of this potentially beneficial development was limited, however, because the oil fields' reserves were running down quickly at a time when the outbreak of World War I put new demands on it.

Frank's descriptions of the pollution and environmental degradation resulting from oil development in Galicia raise interesting questions about nineteenth-century environmental consciousness, although they are questions that go beyond the scope of this book. Still, readers might want to know that environmentalism was developing in Galicia at the same time as the oil industry. By the 1860s, the Austro-Hungarian state had already established protected zones and designated protected species in the Galician mountains. Further, in the 1880s nongovernmental lobbying groups advocated the creation of a national park. Environmental science was taught in the biology departments at the universities of Lviv and Cracow before the First World War. However, the focus of environmentalism was the protection of unspoiled and remote nature. It took longer to recognize the need to protect places where people actually lived, including industrial cities and natural resource zones, like Galicia's oil empire. Critics voiced concerns about health, poverty, and aesthetics in these areas, but they had not yet come together under the umbrella of environmentalism, as they have today.

Despite unorganized, environmentally degrading, and wasteful production, the Galician oil industry made Austria-Hungary nearly self-sufficient in petroleum, allowing the monarchy to become one of the first states to replace coal with oil. Conversion made the military more efficient

and allowed it to adopt such new technological innovations as submarines, airplanes, and automotive transport. The Austro-Hungarian state railways also converted to oil as did many private businesses. Still, as Frank correctly shows, the Austro-Hungarian Empire neglected to carry through this modernization program in a systematic manner. For example, the failure to develop adequate transportation by rail and water from Galicia to the rest of the empire, especially to the chief naval base in Trieste, led to high costs for fuel, inadequate supply, and the need to import. Austria-Hungary was not the only country to suffer from an incomplete understanding of the issue, however.

An important part of Frank's study is devoted to showing the complexities of national and social issues, and to go beyond oversimplifications that abound in the literature, particularly from nationalistic and Marxist points of view. Frank finds that Galicians were suspicious of foreign capital, including capital from other parts of the Austro-Hungarian Empire. Entrepreneurs of different ethnicities and even immigrants from abroad worked well together, providing that they were locally based. Workers rarely cooperated in a class-conscious way since they were divided by skill levels and ethnicity. Unskilled workers, primarily "Ruthenians," were more often peasants in mentality than laborers, and generally regarded their work in the oil fields as temporary. Thus, they reacted without class consciousness. Poles, who filled out the ranks of the skilled workers for the most part, had different labor concerns. Jewish workers found it hard to cooperate with their class equals, because antisemitism led Christians to dislike and sometimes attack Jewish workers along with Jewish capitalists. Frank speaks to the virulence of national stereotypes when she presents one mining inspector's comments contrasting the "diligent and sober" Poles with "disrespectful, unreliable, and lazy and 'boundlessly unstable'" Ruthenians, who were allegedly further handicapped by numerous meatless fast days so that they lacked strength for heavy work and sought "fortification in schnapps" (p. 128).

The book ends with a detailed account of the Polish-Ukrainian conflict in 1918-20 for control of eastern Galicia (western Ukraine). Here, Frank adds another valuable dimension to our understanding of the Polish-Ukrainian conflict, showing the importance of the oil fields in the eyes of the Paris Peace Conference, as well as Polish and Ukrainian contenders. She correctly exposes the self-interestedness of Polish claims to the territory, although she would have done well to examine the Ukrainian position equally critically. The account could also benefit from a broader diplomatic perspective. British complaints about Polish claims, in particular, reflected Britain's anti-Polish (and anti-French) orientation at the end of the First World War, and did not represent an impartial assessment of the situation in Galicia. Furthermore, since the author already went beyond the chronological boundaries of her Austro-Hungarian study, it would have been worthwhile to present some more information about the decline of the oil industry and natural resource use in interwar Poland and beyond.

One of the strengths of *Oil Empire* is the presentation from a Galician perspective, but this approach makes it difficult to understand the Austro-Hungarian context. Government agencies in Vienna and Budapest are treated as outsiders, and several questions about interrelations among the old monarchy's various parts would benefit from further exploration. This is particularly clear regarding the matter of oil refining, where Vienna's policy of discouraging the expansion of Galician refining needs to be explained in terms of protecting the Austrian, Bohemian, and Hungarian refineries. Discussion of Austro-Hungary's complicated politics of balancing nationalities and elites would help. In the area of railway transportation, nationality politics were notably crucial. Frank points out the difficulties caused by inadequate linkages between the oil fields and major con-

sumers in distant parts of the empire, but she does not explain why Vienna was shortsighted. The discussion of Vienna's attitude toward international financial investment in the industry, particularly Standard Oil's attempts to play a major role in the Galician oil industry, is expert. It occurs in a chapter on overproduction, however, and needs more systematic treatment of import and export policies, along with such achievements as gaining a significant position in the imperial German oil market at Russia's expense.

The book's title and especially its subtitle, *Visions of Prosperity*, raise significant questions for understanding today's world as well as that of the previous century. As Frank notes in her introduction, oil initially seemed to be a magic substance that would solve the economic problems of the poverty-stricken, underdeveloped province of Galicia, but it did not turn out that way. This useful observation could be further developed in theoretical and comparative terms. Resource development generally aggravates economic disparities and rarely progresses to industrial development, as we can see across the world today.

These criticisms notwithstanding, *Oil Empire* makes a substantial contribution by rescuing an important episode in Central European history from oblivion and providing a detailed picture of Galician society. The presentation of the relationship between local landowning and industrial development is particularly innovative, and the presentation of national and class issues is skillful. In this attractively prepared and clearly written book, Frank vividly presents the effects of oil development on the local scene, and describes the local people well. The maps are valuable, although additional maps would have been more helpful.

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